

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2147 - SB 2709

February 22, 2018

SUMMARY OF BILL: Renames the *Visual Content Act of 2006* as the *Tennessee Entertainment Jobs Act* (the Act). Defines “economically distressed shoot,” “Tennessee music,” and “Tennessee story.” Authorizes a production company that is recipient of an incentive grant under the Act to receive additional grant funds equal to five percent of the initial incentive grant if the state-certified production includes an economically distressed shoot, a Tennessee story, or Tennessee music.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$13,300/Film and TV Fund

Assumptions:

- Pursuant to Tenn. Code Ann. § 4-3-4901, the purpose of the *Visual Content Act of 2006* is to provide incentive grants that encourage the production of films, movies, television pilots or programs in the State of Tennessee.
- This legislation renames the *Visual Content Act of 2006* as the *Tennessee Entertainment Jobs Act* (the Act).
- Pursuant to Tenn. Code Ann. § 4-3-4903, the Film and TV Fund is a separate account in the General Fund, comprised of funds appropriated by the General Assembly and of gifts, grants and other donations received by ECD or the Tennessee Film, Entertainment and Music Commission.
- This legislation will allow for recipients of incentive grants under the Act to receive additional funding, dependent upon the degree a production company utilizes an economically distressed shoot, a Tennessee story, or Tennessee music, as defined in the legislation and determined by the Department of Economic and Community Development.
- The Governor’s recommended budget for FY18-19, on page B-315, includes an increased appropriation of \$3,163,200 to the Film and TV Fund, for a total recommended budget of \$5,211,800.
- Due to multiple unknown factors, the extent and timing of additional grants made as a direct result of this legislation is unknown; however, it is reasonably estimated that such increased grant expenditures from the Film and TV Fund will exceed an amount equal to 0.25 percent of the recommended budget, or an amount exceeding \$13,030 (\$5,211,800 x 0.25%) per year.

- Any additional sales tax revenue collected pursuant to additional film and TV production in Tennessee cannot be reasonably estimated, but is considered to be not significant.

IMPACT TO COMMERCE:

Decrease Business Expenditures – Exceeds \$13,000

Assumptions:

- The degree to which this legislation incentivizes additional investment in film and TV production in Tennessee is unknown and cannot be determined with any reasonable certainty; however, it is estimated that this legislation will result in a decrease in business expenditures for the film and TV industry in Tennessee, exceeding \$13,030.
- Any impact to jobs in Tennessee, as a result of this legislation, cannot be determined with any reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb